

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

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MAY 30 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:)

Implementation of the Local)
Competition Provisions in the)
Telecommunications Act of 1996)

CC Docket No. 96-98

SOURCE MATERIALS
Volume 10 of 10

TAB 78 [Wisconsin URR] through
TAB 80 [Workshop Comments]

TO
PETITION FOR
FOR EXPEDITED RULEMAKING

BY
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and
COMPETITIVE TELECOMMUNICATIONS ASSOCIATION (CompTel)

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May 30, 1997

TABLE OF SOURCES AND SOURCE CONVENTIONS*

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78	Wisconsin URR:	Wisconsin Utility Regulation Report (Apr. 3, 1997)
79	Wood:	Deposition of Lesley Wood Before the California Public Utilities Commission, Case No. 96-012-026 (Apr. 14, 1997)
80	Workshop Comments:	Comments of AT&T and MCI on Supplemental Operations Supports Systems Filings of Pacific Bell and GTE Before the California Public Utilities Commission, Docket No. R.93-04-003 (Apr. 11, 1997)

* Other than the few items marked with an (*), the cited pages from these materials are assembled and presented in separate volumes with an index for convenient reference (where the documents are lengthy, only the cited pages appear). These source materials may be obtained upon request in their abbreviated or in complete form. The items marked with an (*) are omitted from the collection of source materials because they are generally available or have been filed previously with or promulgated by the Commission.

Utility Regulation Report

April 3, 1997

Published by Preferred Intelligence, LLC

PSC Open Meeting: 4/3/97

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Commissioner Eastman opened the meeting. Chairperson Parrino joined the meeting via telephone.

Agenda Item 1: Approved 3-0, the Minutes of the Open Meetings of Thursday, March 13, 1997; and Tuesday, March 25, 1997, as amended.

Agenda Item 2: Notices and Orders

Notice 1 Put on Hold, 6720-TI-120 - Matters Relating to Satisfaction of Conditions for Offering InterLATA Service (Wisconsin Bell, Inc., d/b/a Ameritech Wisconsin) (SIXTH NOTICE AND THIRD NOTICE OF HEARING)

This notice was initially approved but after further discussion under Agenda Item 5, the Commissioners unanimously modified their decision, placing this notice on hold until they issue an order on other components of this docket.

Order 2 Scheduled for Layover, Order 05-BE-103 - Investigation on the Commission's Own Motion Into Current Procedures for Authorizing New Generation Facilities (the Advance Plan and the Certificate of Public Convenience and Necessity) to Determine Appropriate Changes Required During the Transition to a Restructured Industry

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Agenda Item 5: Denied 3-0 because the OSS is not yet fully tested and operational in 6720-TI-120 - Matters Relating to Satisfaction of Conditions for Offering InterLATA Service (Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin) (discussion of record and Operations Support System)

Background. This agenda item was a discussion of recent hearings dealing with the OSS (Operations Support System). There are a number of issues in this Docket that are currently under review. In the March 6, 1997, Commission meeting, Chairman Parrino raised a question, "Procedurally, how are

we going to get the information that we need to make a call on primarily the OSS (Operations Support System) issue?" It was decided that the OSS issue would be the first issue addressed in the hearing process. To further expedite this issue, it was decided that transcripts would be ordered immediately, oral arguments would be accepted rather than briefs, and the Commission would render a decision as soon as possible on the OSS issue. Hearings started on March 31, 1997. Today's meeting further discussed information and concerns resulting from that hearing.

Chairman Parrino started the discussion on this issue by outlining the approach she took in the decision-making process. Eastman and Mettner agreed with Parrino's approach. For purposes of discussion, they decided that there would be five separate categories of information to address:

Category 1: What are the standards to be used in review?

Category 2: An analysis of the record. What did the record reveal about the OSS issue?

Category 3: The findings, which include:

a) Is the OSS system-tested and operational?

b) Do competitors have nondiscriminatory access to the system?

c) Do CLECs (competing local exchange carriers) have access to interface design specifications?

Category 4: The issues that Mr. Dawson raised in his oral arguments should be specifically addressed.

Category 5: Any other steps

Category 1: What are the standards for review?

Chairman Parrino cited numerous sections of the Telecommunications Act of 1996 and the Federal Communications Commission (FCC) rules relative to standards:

Section 252(f)(1): Discusses Bell Operating Company's ability to file a statement of terms that are generally offered within the state. These terms are required to comply with the requirements of Section 251 and the regulations thereunder.

Section 252(f)(2): Gives direction to the state Commission with regard to approval. This section says that a state Commission may not approve such statement unless the statement complies with Section 252(d) and Section 251 and the regulations thereunder.

Section 252(g)(2): Relates to pricing standards, which really does not apply in this particular circumstance.

In summary, Parrino said that Section 252 tells

us that the standards to be used in the review process are basically the requirements of Section 251 and the regulations, which are the FCC rules promulgated in response to Section 251.

Section 251(c)(3): There is a duty to provide nondiscriminatory access to network elements on an unbundled basis. In addition, that access should be provided in such a manner that it allows requesting carriers to combine such elements.

Section 251(c)(4): Deals with resale and that the RBOC (Regional Bell Operating Company) is not to impose unreasonable or discriminatory conditions or limitations.

In summary, Section 251 tells us that access to unbundled elements and resale should be nondiscriminatory and that there needs to be reasonable rates, terms, and conditions.

Under the First Order on reconsideration, the Commission made the following conclusions:

Paragraph 516: The OSS falls within the definition of a network element and is therefore subject to the standards of Section 251(c)(3).

Paragraph 517: OSS functions are subject to the duties of nondiscriminatory access imposed by Section 251(c)(3) and 251(c)(4).

Paragraph 518: Competing carriers should be able to perform functions of preordering, ordering, provisioning, maintenance and repair, and billing for network elements and resale services in substantially the same manner.

Paragraph 523: The RBOC must provide nondiscriminatory access to the OSS, which means preordering, ordering, provisioning, maintenance and repair, and billing. To the extent the incumbent has access to information during customer contacts, that same ability must be provided to competing carriers.

In the Second Order on reconsideration, the Commission made the following decisions:

Paragraph 13: Declined to waive financial standards to be developed.

Paragraphs 9 and 11: Reaffirmed that nondiscriminatory access to the OSS is a critical component and that such access must be at least equal to the access that the incumbent provides itself.

Paragraph 8: The RBOC must establish and make known to requesting carriers the interface design specifications that the incumbent will use. Information regarding interface design specifications is critical.

Parrino noted the need to comply with Section 251 and referenced that in the notice, the

Commission asked the question, "Are Ameritech's operational support services (OSS) tested and operational?"

Parrino reiterated that the critical issues for this decision are under Section 251, the FCC rules, and the Commission notice and previous order. Based on those areas of authority, there are several more items that go toward the consideration of standards.

Is there access to the five defined functions? Is the access nondiscriminatory? Do others have access to the design specifications and information that they need?

Eastman and Mettner agreed. Mettner emphasized nondiscriminatory access, once again, by quoting additional language cited in paragraph 518 that states that providing nondiscriminatory access to these support system functions is vital.

Category 2: An analysis of the record. What did the record tell us about these issues? Category 2 contains a recap of the testimony heard during two days of hearings.

Parrino stated it was Ameritech's burden to show that the OSS was operational, nondiscriminatory, and that carriers had access to the interface defined specifications.

She said Ameritech presented one witness, Joseph Rogers. Parrino stated that Mr. Rogers did present that the system was operational and fully tested. The basis for that statement was 1) all components were operational and 2) the reliance on the statements from employees responsible for each of the component subparts. Parrino stated that Rogers did not review specific analysis or tests for individual various components or review trend analysis. She also stated that Rogers didn't have a specific knowledge of information that was included in Exhibits 4, 6, and 7, which were trouble logs that were presented as a result of a staff data request, and were presented as exhibits by AT&T in cross-examination of Mr. Rogers. Parrino said that Rogers did not know the specific data relative to manual processing, out-of-order processing, and the reason why some orders were rejected.

Parrino said it was disclosed that there was a problem with 865 (order confirmations) in which, as of this time, a competing carrier is not notified that the order has been completed and that the customer has actually been transferred from an ILEC (incumbent local exchange carrier) to a CLEC (competing local exchange carrier).

Rogers also recognized that there was a problem with 850, which is when there's a change

notice but there is an inability to be notified on that change. Rogers stated that he did not know when the 865 and 850 problems would be fixed.

Parrino said that even though these problems existed, the people under Rogers still advised him that the system was fully operational.

In addition to the above problems, Parrino stated that during cross-examination, it was discovered that there is a "potential" double-billing problem that also existed, but that Rogers did not have adequate time to investigate it. Parrino said that she also learned that currently unbundled loops are essentially all processed manually. Rogers estimated that this would be corrected in June.

Rogers also provided recent information with regard to preordering and ordering, showing that these areas had improved significantly. Seventy-six percent of orders were now handled electronically and the rejection rate was down to 5 percent.

Parrino said that they didn't get any specific information on testing that had been done on the maintenance and repair systems relative to how it would work for local services. Rogers stated that he wasn't sure when the 1P problem, which he acknowledged was an Ameritech problem, would be fixed.

Parrino said that they also learned that the 865 problem (order confirmations) had been given a priority three by Roger's staff and that it really should have been given a priority one because it was customer-impacting. Parrino also stated that Rogers was unable to determine when the 865 problem might be resolved.

Parrino said Rogers stated that the systems were designed to be nondiscriminatory and that the design of the system allowed a competitor to access it in the same way that Ameritech accesses it. Parrino went on to state that there was no test data to show in fact that the system performed equivalently or equal and that there was no actual information on performance to show that it would perform in a nondiscriminatory manner.

There were two exhibits that were presented by Mr. Rogers. The first was with regard to capacity, and it indicated that Ameritech is doing a good job of preparing to handle the capacity as it comes on-line, even though they haven't gotten information from all of the providers. The second exhibit was a testing for order functioning between AT&T and Ameritech for the period of 10/7/96 to 11/26/96. The exhibit showed that of the orders processed, 67 percent were processed manually, 90 percent were rejected, but only 3 of the 90 rejections were the fault of Ameritech's system.

Additional information was presented in Exhibit

3 which tracked the processing of orders through 2/21/97. The information in Exhibit 3 showed that request processing is increasing and that Ameritech is meeting due dates about 90 to 100 percent of the time. However, the count of due dates is not totally accurate because it doesn't consider orders that are pending.

Parrino said one witness pointed out that with manual processing there is a significant likelihood of not meeting due dates as efficiently as if something is processed electronically. This witness also pointed out that there had been no significant testing on some of the components. This witness said that in Exhibit 26 there were some significant problems that occurred on February 8th and there is an increase in pending orders that shows up on February 22nd.

Timothy Connolly, a witness for AT&T, stated that trends were very important and that the only available trends were in Exhibit 26 and Exhibit 3, which was introduced by AT&T, but prepared by Ameritech. Connolly also talked about the difficulty of ordering bundled elements. According to Connolly, Ameritech was aware of the 865 problem as early as the first week of February. Connolly said that there were still major problems and that they were unable to get information on why processing continued to be manual.

Ali Miller, a witness for MCI, also stated concerns about the amount of manual processing being done and emphasized that the system did not yet meet the equivalency or nondiscriminatory test. Miller raised a concern about the potential for customers to be double-billed and that Ameritech was unable to assure them that it would not happen. Miller also mentioned that circular hunting for small business customers was not available and that initially MCI was billed for features that were not ordered. In addition, Miller discussed the problems with no confirmation that the customer had actually been transferred.

Another witness stated the importance of people knowing when changes occur, what those changes are, what specifications have been changed, and the plan for these changes.

Steven Parrish, a witness for USN, is a CLEC, who is currently using the Ameritech system. He currently only uses the CRS electronically because his business plan is such that he goes out to work with small business customers first and then uses the on-line service. He has not tested the on-line

due date or telephone number ordering. Parrish also mentioned that he had a problem with billing at first, but that his issues have been resolved. Parrish stated that contrary to other witnesses, he felt the difference between manual and electronic processing wasn't significant. He said that it was much more important to prepare orders on time.

Eastman agreed with Parrino's summary reiterating that the record was "thin" on comparable data for experiences of CLECs. Eastman said that it would have been helpful to have a bit more data to compare internal and external results, but that Parrino's analysis of the facts were quite accurate.

Mettner also agreed adding a few additional comments. Mettner concurred with Eastman stating that there is no record evidence concerning the experience during identical time periods presented by Exhibits 5, 6, 7, and possibly 26 that relates to the experience of Ameritech's own retail customers.

Mettner also noted that there was no record of the testing of several OSS subcomponents, including maintenance, repair, and billing. Mettner stated that Rogers, under redirect questioning by Mr. Dawson, attempted to resolve this by saying that there was no reason to believe that those systems did not test out well or weren't operational. Mettner didn't find this statement to be adequate evidence.

Mettner also said that Exhibit 26 indicates the unpredictability and the types of errors that are occurring. He also noted that the preorder and ordering statistics of 76 percent electronic processing were also accompanied by a peak performance statistic of 85 percent, noting that this only related to two sub-components of the OSS.

Category 3: The determination of whether or not Ameritech has met its burden of proof. Did they show that the system is 1) tested and operational; 2) nondiscriminatory; and 3) provides CLEC's access to interface defined specifications?

1) Is the System Tested and Operational

Parrino said that she did not find the system to be tested and operational. She stated that having people say it's operational without concrete information is not sufficient proof. Parrino also stated that there are major problems that are Ameritech's, not just the CLEC's

Parrino said she was concerned about the level of manual order processing and the impact that it had on the 865 problem. However, the lack of

trending information in this area made it difficult to determine the impact.

Parrino stated that other trending information showed that new problems are creeping up or occurring and that the system is not stable, predictable, or reliable. In addition, she said that there was very little testimony that specifically dealt with this problem. She said that lack of information made it difficult to determine if a component was tested or operational.

Parrino stated that relative to maintenance and repair, she found that information indicated that carriers are not yet using this because of their business plan, not Ameritech. She said that it is too expensive at this point given the number of customers that would implement and interface electronically. She also said that there was no testing information.

Parrino indicated that the record said that Ameritech was sure that it would work because it was the same system that was used for access. However, she believed that the record demonstrated that the systems for access would be different but that there was no testing data for how it will perform.

Parrino said that relative to billing, the system is not tested or operational. She said that although it appears that many of the problems are being identified and/or improving, she still had a concern for the potential of double-billing.

2) Nondiscriminatory Access as required under Section 251.

Parrino stated that testimony indicates that the system is designed to offer nondiscriminatory access. She went on to state that there were several examples of where the record fell short of showing nondiscriminatory access. One example that she cited is how orders can be processed differently if they contain remarks. A second example is the significant amount of ordering and preordering that is manual for CLECs. She said that if those CLECs don't have the same ability to access information when the customer is on-line, that Ameritech has, it is discriminatory.

3) Access Interdesign Specifications.

Ameritech has made everything that has been completed available to the competitors and has worked hard to explain how those features work. However, the record indicates that there is still difficulty since network elements are ordered using two systems. Parrino stated that there is no mechanism for combining network elements;

therefore, she finds that Ameritech has not met the standard for technical operations and is still discriminatory because CLECs do not have access to all the interface design specifications that are necessary.

Eastman agreed with Parrino and added a few other comments. Eastman stated that he concluded that the system is operational "to a degree", but that it does not yet appear to be fully tested and there are some obvious shortcomings. He said that he realized that was "a work in progress" with respect to developing the system, pointing out that migration from one system to another is difficult, but that new system development is even harder. He said that these projects take time and that they have been on a regulatory fast track.

Eastman said that he believed that Ameritech is working diligently to make this system open and available. He said that there were some "bugs" defined in the hearing and that CLECs have taken the opportunity to make attempts to develop systems to interact with the OSS. Eastman said that unfortunately it is too early to see the impacts because we're not at an "end state", but rather "work in progress". He said that the current situations don't necessarily mean that it is discriminatory, but that we just aren't there yet.

Eastman said that the standard was that the system be fully tested and operational and that the "work in progress" needed to insure that the system fell within acceptable parameters.

Eastman also pointed out that there was not comparable trending information other than Exhibit 26 which demonstrated some of the unpredictable results and variations in occurring problems. He sensed that even with a system that is supposed to operate automatically, that additional situations will evolve.

Eastman stated that the problem was to find some balance between the ability of Ameritech to develop a system that meets the criteria under the federal statutes, and at the same time, protect the public by consistently moving forward to a point where the electronic system will be up and running.

Eastman said that at this point he was unable to make a determination that the system was indeed up and running. However, he did state that progress was being made.

Mettner agreed. He stated that the record is simply void in showing that the OSS has been tested and is operational. He said that in regard to maintenance and repair, that there was not sufficient testimony to base a finding. Mettner said

that with regard to operational nature and readiness, that the record lacked trending or analysis for support, such as the number of errors, the number of rejections, and the consequence of manual processing. Mettner reiterated the concern of one witness who pointed out the potential for time delays which resulted from manual intervention. Mettner stated that the record didn't provide adequate data to warrant that this was not a concern.

Mettner also said that the record lacked sufficient evidence to show that the system's sub-components were operational.

Mettner stated that the lack of comparative data for trending for identical time periods made it impossible to know whether the access provided is nondiscriminatory.

With design interface specifications, Mettner mentioned "sock" problems as well as the ongoing problems with the system. He referred to a letter in which information was not freely provided to competing carriers upon request. He stated that this indicated that there is not full cooperation in relating information as needed by the other parties.

Mettner added a few more remarks stating that rigorous scrutiny of the record and application of these standards is not something being done to Ameritech to preclude them from getting into the long-distance market. He said that they have an obligation to make sure that the OSS is tested and operational. Among other things, the Commission has a responsibility to insure nondiscriminatory access and to see that CLECs get the information they need on design specifications so that their input doesn't have an increased amount of errors because of incompatibility or input. He said that the Commission has a duty to the CLECs and the general public.

Eastman added an additional comment that data and information will continue to change as they move through this proceeding.

Mettner responded stating that he agreed with Eastman's point and that he felt information should be forthcoming on an ongoing basis. He said that access to specific information on a continuing basis is necessary for CLECs to evaluate not only their own progress, but to evaluate whether they're being fairly dealt with by the incumbent. Mettner agreed that the exhibit is of limited use in the operational evaluation, but that it raised a question of access.

Category 4: The issues raised by Mr. Dawson in his oral argument.

Parrino agreed with Mr. Dawson's statement that no system will ever be perfect. She said that the critical issue is predictability, reliability, and standardization. She also agreed with Dawson's point that there will never be a good interface unless both people really want it.

Parrino emphasized that designing a new computer system is not an easy task. She also stated that it becomes more complex when you're trying to provide the ability for someone else to access programs that have been in place and used by Ameritech for several years. Parrino said that she realized that Ameritech was working hard and that it has a system that is better than any RBOC (Regional Bell Operating Company) in the country.

She said that although Ameritech was working hard, she realized that there is an incentive for Ameritech to say that the system is working, perhaps before it is ready, and there's also an incentive for CLECs to say that the system is not working which will prohibit Ameritech from getting into the long-distance business. Parrino shared Dawson's views that Ameritech cannot force others to compete in a new market.

Parrino disagreed with Dawson saying that the electronic routes were not in place. She also disagreed with Dawson saying that competitors and Ameritech do not use the same paths because each has different criteria.

Parrino agreed with Dawson stating that there will always be system changes. She emphasized that it is critical to provide information to competitors on when the changes are going to occur, what the specifications are to deal with the changes, and to have a plan for migration.

Parrino also reviewed the Michigan Public Utility Commission (MPUC) order because it was stated that the MPUC had declared that the system was operational. Parrino said that she was unable to locate a finding that says that the system was tested, operational, nondiscriminatory, or that competitors have access. Instead, what the MPUC said is that it appears that Ameritech Michigan is providing an OSS that enabled at least two competitors to provide local exchange service. This statement doesn't necessarily find that the system is tested and operational.

With regard to capacity, Parrino found that Ameritech is preparing for increases in volume even though not all competitors have provided them with information. Parrino said that competitors were complaining that Ameritech was not in compliance. Understanding that you cannot comply with a standard which has not yet been set, she feels that Ameritech did comply with standards in place at the time they were developing their system.

Parrino reiterated Eastman's comments that information is always going to be changing. Parrino stated that the difficulty is that they are looking forward and that will always involve new information.

Parrino said that an issue had been raised relative to manual intervention. She stated that it does relate to discrimination, and to the extent that manual processing is more likely to cause Ameritech to miss a due date, it is certainly relevant.

Eastman added two additional comments on Dawson's arguments. He said that he agreed to some extent with Dawson that the system is operational. He also pointed out that the system will become smoother with time.

Eastman said that he didn't necessarily see a problem with manual intervention from time to time. He said it wasn't clear as to how long some of the delays were because of the manual intervention. Eastman said that information would be more helpful as the system evolves to determine whether manual intervention has a place and what percentage of orders should be subject to that.

Mettner stated that he agreed with Dawson in the standards to apply when revisiting this issue again. He said that Ameritech is correct in having a "bug-free" system and that they do rely on some good faith from competitors. Mettner said that the Commission would be ready to revisit this issue in the good faith that Ameritech will work to provide a showing that their system is substantially tested, operational, and nondiscriminatory.

Category 5: The next steps.

Parrino suggested that the Commission reject Ameritech's SGAT filing. She said that she doesn't want to "redo" everything and that to the extent the Commission finalizes specific items and those tariffs are on file, that those issues would not be redone at the point that Ameritech demonstrates that the OSS is operationally tested and that the other criteria are being met.

Parrino said that conditionally rejecting and allowing Ameritech to come back again didn't make sense at this point so instead she would reject the filing as a complete document -- but not necessarily the component parts that have complied with the Commission's order and have been approved.

Parrino stated that she felt there should be a threshold or burden of proof by Ameritech in order to have the Commission commit the resources that they have already done in the last three reviews of

this Docket. Parrino added that she would not have as criteria that there be actual competitors or that there be competitors using the OSS for a six-month period.

Parrino reiterated that she agreed with Ameritech's comments that competitors make the choice on when they come and Ameritech should not be delayed because of others.

Parrino asked that staff use the thoughts and issues set forth today and come back to the Commission with a more complete list of what these standards or thresholds would be. Parrino added that staff should consider that there be access to all information. She said that she felt there should be the ability to access all of the component parts in the system, not just the preordering, ordering, and billing.

Parrino went on to say she agreed with Miller in that there were two ways to test the system. 1) The CLEC test that you actually have competitors that are using it at a significant volume. 2) A rigorous test. She said this approach would require some concrete data, not just people saying that the system is operational.

Parrino stated her concerns that existed with problems 865 and 850 and that she was uncertain if Mr. Rogers would get the appropriate answer from his staff or whether they would simply tell him that it is working.

Parrino said that we need some predictability and stability to decrease the number of orders that are processed manually. She said that in the most recent information provided by Ameritech, it showed that manual processing was at a level that would help with predictability, but that it would have to stay at that level.

With regard to nondiscrimination, Ameritech will have to show actual information on how many of their orders are processed manually, how many of their orders are rejected, how often they meet their due date versus a competitor's due date; considerations for pending items; and how long it takes for a CLEC to access the system.

Parrino again reiterated that it was important that there be a showing by Ameritech that they would move forward in "good faith" before the Commission exerted a significant amount of resources.

Parrino suggested an incentive to Ameritech to have all of the information. She said that she would be willing to consider that if there is a false start or they don't meet their burden of proof, that the Commission would not come back to the issue for some period of time, whether it's two months, six months, or another time frame. She said that it was important that all the information be pulled together

and presented to the Commission prior to putting forth a significant amount of resources again.

Eastman agreed stating that he was ambivalent to either the time deadline or benchmarks for some showing that progress has been made. He said that he didn't believe that you needed to get testimony for six months to determine if the system is operational. He said that he was concerned that we could end up in a situation where the test is never going to be good enough because it won't be conducted under real conditions.

Eastman said that he would leave it to staff to come up with the measures to ensure that resources are spent for one last time approving or disapproving the system. Eastman said that it was in the public interest to get the system up and running as soon as possible so that local competition can develop quickly in Wisconsin. He said that he is impressed with what he has seen to date, but that there is certainly more work to be done. He said that he is optimistic that the parties will work together.

Mettner shared the concerns of Eastman and Parrino. He said that he felt they had "a couple of trains on the track" right now. He said that they have not yet issued the interim order from the 02/20/97 meeting. Secondly, he said that they have a findings of facts, conclusions of law, and an order as a result of their review of the record concerning the OSS (basically the paper trail of the actions today). Thirdly, he said that they also have the latest SGAT filing dated 3/3/97 out for comment. Lastly, he said they have scheduled hearings on some of the remaining issues in this docket.

Mettner said that he felt it was necessary to consolidate some of the efforts. He said that the interim order, the order for the findings of fact and conclusions of law concerning the OSS discussions of today, and the capital filing should be the subject of review down the road.

He also said that along with the OSS decision today, that they should articulate with staff's assistance some threshold criteria prior to coming back. Mettner said that there is going to have to be some evidence that the request of CLECs requesting interconnection can be unilaterally accomplished. He said that there also has to be evidence of operational status involving each subcomponent of the OSS.

Mettner said that evidence should indicate the incidence and description of certain types of errors experienced, the incidence of rejection, the incidence of manual intervention and the delays that it might cause, resolution problems that have been

identified and solved, associated correspondence which involves requests for information by CLECs and Ameritech, and a paper trail showing the level of accordance and cooperation by the parties.

Mettner encouraged the parties to work with staff in determining the evidence required to indicate operational readiness and nondiscriminatory access.

Mettner went on to state that all changes might not necessarily require system redesign but that they simply need to provide the CLECs information on how it works and when the system changes. He suggested that changes be batched and made known to the parties affected. He also stated that a system change should not be used as an opportunity to recapture customers who have gone to a competitor. Mettner said that as a minimum some of the above items listed should be included in a new capital filing and would entertain staff's additional comments. Mettner said that he would not give the capital filing serious review until 30 days after an order is issued on what has been done so far.

With that, Mettner suggested that the Commissioners reconsider their initial approval on Notice 1 under Agenda Item 2.

Parrino agreed with Mettner's suggestion to reconsider their initial decision for Notice 1. She also agreed with Mettner for one order combining the discussion in the issues on the 2/20/97 meeting, the findings in regard to the third compliance filing that is out for comment right now, and the decision on OSS being made today. She agreed that the earliest that information should be refiled is after the above order is issued, but that she wasn't sure about the 30-day time frame.

Parrino stated that she realized that Ameritech had some difficulty in knowing exactly how to comply, but that the staff could not draft the order because it involved analysis of the OSS.

Eastman agreed with the withdrawal of Notice 1. Mettner added an additional comment that he hoped the process that they were now taking didn't result in a lot of parties wasting time.

Agenda Item 6: No new information on 6680-UR-110 - Application of the Wisconsin Power and Light

Company, as an Electric, Water and Natural Gas Public Utility, to Change Electric, Water and Natural Gas Rates (LAYOVER from 3/4/97)

Agenda Item 7: No new information on 05-GI-108 (Phase III) - Investigation on the Commission's Own Motion Into the Need for Changes in Natural Gas Regulation for City Gas Company; Florence Municipal Gas Utility; Madison Gas and Electric Company; Midwest Natural Gas, Inc.; Natural Gas, Inc.; Northern States Power Company; St. Croix Valley Natural Gas Company; Superior Water, Light and Power Company; Wisconsin Fuel and Light Company; Wisconsin Gas Company; Wisconsin Natural Gas Company; Wisconsin Power and Light Company; and Wisconsin Public Service Corporation

(Wisconsin Electric Company, Gas Operations, Formerly Wisconsin Natural Gas Company) (LAYOVER from 3/13/97)

Agenda Item 8: No Miscellaneous Business - Such Other Matters as Are Authorized by Law

The next open meeting is scheduled for Tuesday, April 8, 1997, at 10:00 a.m.

(END)

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1 BEFORE THE PUBLIC UTILITIES COMMISSION

2 IN AND FOR THE STATE OF CALIFORNIA

3 --- o0o ---

4 MCI TELECOMMUNICATIONS CORPORATION,
Complainant,

5 vs. NO. 96-12-026

6 PACIFIC BELL AND PACIFIC BELL COMMUNICATIONS,
Defendants.

7

8 AT&T COMMUNICATIONS OF CALIFORNIA, INC.
Complainant,

9 vs. NO. 96-12-044

10 PACIFIC BELL,
Defendant.

11 -----//

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14 DEPOSITION OF LESLEY WOOD

15 April 14, 1997

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18 REPORTED BY:

19 SANDRA L. CARRANZA, CSR NO. 7062, RPR

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2 DEPOSITION OF LESLEY WOOD

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NO EXHIBITS MARKED

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1 BE IT REMEMBERED THAT, pursuant to

2 Notice of Taking Deposition and on Monday, April 14, 1997,
3 commencing at the hour of 10:00 a.m., before me, SANDRA L.
4 CARRANZA, CSR NO. 7062, RPR, there personally appeared

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6 LESLEY WOOD,

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8 called as a witness by the Complainants, who, having been
9 first duly sworn, was examined and testified as
10 hereinafter set forth.

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1 LESLEY WOOD

2 having been duly sworn, testified as follows:

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4 EXAMINATION BY MR. McDONALD

5 MR. McDONALD: Q. Can you please state and
6 spell your name and give your business address.

7 A. Lesley Wood, business address is 370 Third

8 Street, Room 316, San Francisco, California.

9 Q. By whom are you employed?

10 A. Pacific Bell.

11 Q. What's your current title?

12 A. Director.

13 Q. Are you within a certain group within Pacific
14 Bell, a division?

15 A. Yes, I am currently within the industry markets
16 group.

17 Q. Do you have an area of specialty, business
18 planning within the industry markets group?

19 A. Yes. I have a team of people that are
20 responsible for business process development and the
21 development of methods and procedures for the Local
22 Interconnection Service Center.

23 Q. How long have you had that position?

24 A. About two years.

25 Q. So maybe as early '95 that you commenced?
0006

1 A. Yes.

2 Q. Prior to taking this current position, did you
3 have another position with Pacific Bell?

4 A. Yes.

5 Q. What was that?

6 A. I was a project manager responsible,
7 essentially, for the same thing, business process
8 development and implementation.

9 Q. And that dealt with things other than local
10 interconnection?

11 A. No, that dealt with local interconnection and
12 resale services.

13 Q. When did that position commence?

14 A. That started in early 1994.

15 Q. How long have you been employed with Pacific

16 Bell?

17 A. 26 years.

18 Q. In what capacity did you start?

19 MR. KOLTO-WININGER: Do you want her to give a
20 brief history?

21 MR. McDONALD: Q. Yeah, can you give a
22 narrative?

23 A. I started with the company in 1970 as an order
24 typist. I moved into a service rep position within six
25 months. I was a service representative for six years,
0007
1 then I was promoted into my first management title in the
2 training department, responsible for course development
3 and delivery. I remained in that position for
4 approximately three years, and then moved into a line
5 management position, supervising service reps in what was
6 known as the Bell Point of Contact, B-P-O-C.

7 Q. What was the Bell Point of Contact?

8 A. The Bell Point of Contact organization dealt
9 with inter-exchange carriers prior to divestiture in
10 providing facilities and services to those customers.
11 From there, I went into a staff position as a first level
12 manager, doing training methods and procedures, training
13 delivery and advising counsel.

14 I remained in that position for about another
15 six years, and then was promoted into a product management

16 position responsible for switched access services.
17 Remained in that position for about a year, and took a
18 rotational assignment with Bell Communications Research in
19 New Jersey, Livingston, New Jersey, where I was the access
20 services request subject matter expert for about two
21 years.

22 Returned back to Pacific Bell in 1991, and back
23 into product management, responsible for special access
24 services. And remained in that position for about two
25 years, and then went into the project management title
0008
1 that we spoke of earlier, process development and methods
2 and procedures.

3 Q. In your current position, do you report to
4 anyone, in a line?

5 A. Yes, John Stankey.

6 Q. He is your direct supervisor?

7 A. Yes.

8 Q. S-t-a-n-k-e-y.

9 Are there a number of people who report to you?

10 A. Yes.

11 Q. How many people report to you?

12 A. I have three second level managers that report
13 to me, and three contract project managers that direct
14 report to me, two of my second level managers have first
15 level managers which report to them, and those are the
16 folks who are responsible for producing the Methods and
17 Procedures.

18 Q. The first level --

19 A. Provide the Methods and Procedures, yes.

20 Q. I think you mentioned there were three full-time

21 employees who are --

22 A. Right. Two of them are supervising managers

23 that have the first level staff that produce the Methods

24 and Procedures. One of them is a project manager, who is

25 responsible for national standards for both local
0009

1 interconnection and resale services, and represents

2 Pacific at the Ordering and Billing Forum, OBF.

3 Q. So when did you first become involved with the

4 planning for the LISC for migration order, was that about

5 two years ago?

6 A. Early 1995.

7 Q. Who, if anyone, gave you instruction as to what

8 your role would be within that regard?

9 A. At that time, I was working for Joyce Miller.

10 Q. Who is she?

11 A. She is a director responsible for Methods and

12 Procedures; essentially, she is my counterpart.

13 Q. Did she tell you what this new position would be

14 and what your responsibilities would be, what your goals

15 would be?

16 A. More or less. Having come from a Methods and

17 Procedures background, it's something that I have done

18 with the business for a long time. So there wasn't a need

19 for a detailed description of what it was that I would be

20 doing. I understood what I would be doing, having come

21 from that background.

22 Q. What was it that you understood your job duties

23 would be when you came on into that position?

24 A. To lead a team of people that would be

25 responsible for developing business processes, methods and
0010

1 procedures, and defining business requirements in support

2 of local competition initiatives.

3 Q. What resources were you given in order to

4 accomplish that?

5 A. At that time, I was given four first level

6 managers, a second level manager, and a contract project

7 manager.

8 Q. Was there any training that you were given by

9 Pacific or by an outside entity?

10 A. My managers went through training, essentially,

11 to learn how to write Methods and Procedures and how to do

12 process modeling.

13 Q. So when you came into the position, when did

14 you -- what did you first determine that you'd have to do?

15 Did you have to do some planning of how the LISC processes

16 would function?

17 A. We had an effort in early '95 that resulted in

18 process models for all of the different products and

19 services that we would be offering under this local

20 competition umbrella.

21 Q. And how did you determine what you called the

22 process models -- how did you determine what process

23 models to develop?

24 A. We determined what process models to develop

25 based on the products and services that were going to be
0011

1 offered.

2 Q. So someone within Pacific identified the

3 universe of products that would be offered through the

4 local interconnection initiatives?

5 A. Yes.

6 Q. And then, based upon that, you made a

7 determination as to what business processes should be

8 developed in order to implement the sale of those

9 products?

10 A. Correct.

11 Q. Who did you work with in coming up with those

12 models?

13 A. Ann Long.

14 Q. Was she one person you worked with?

15 A. Yes, Ann Long was one. There was literally

16 dozens of people that we worked with in the development of

17 the process models, essentially subject matter experts,

18 spanning the entire company, representing all different

19 work groups and systems that are involved in the provision

20 of services.

21 Q. In performing this function, did you make an

22 attempt to determine what capacity the number of resale

23 orders the LISC should be sized to handle?

24 A. Yes. It was -- what we determined was based on

25 the business processes that were designed. We determined

0012

1 approximately how much time it would take to process
2 requests within the LISC and subsequently through the
3 downstream systems. I mean, it was an end-to-end business
4 process, so it looked at the whole scope of provision of
5 service. I don't know that that gets at your capacity
6 question.

7 Q. Let's back up. Let's go back to the processes
8 and maybe we will get to the capacity issue.

9 You were informed as to what the products would
10 be, and then, you and your team set about developing
11 processes that would effectuate the sale of those
12 products; is that right?

13 A. Uhm-hum.

14 Q. In determining what processes that you would
15 use, what did you look at? Did you look at existing
16 Pacific processes for analogous products?

17 A. Yes.

18 Q. Did you look outside Pacific to determine what
19 processes might be brought into Pacific, in order to
20 effectuate the sale of these products?

21 A. Only to the extent that we looked at what was
22 going on within the industry through the national forum,
23 such as the OBF, the Order and Billing Form.

24 Q. In the development of these processes, did you
25 develop any new processes that were not built on existing
0013

1 Pacific processes?

2 A. Well, to the extent that modifications had to be

3 made to existing processes to accommodate these new
4 configurations. These were all new products and services
5 provided in new and different ways, so to the extent that
6 existing processes and systems had to be modified, that
7 then resulted in what you could call a new process for any
8 given product.

9 Q. How would you define a process? I mean, it's
10 been the subject of a fair amount of testimony in these
11 depositions, and you were identified -- I am sure it comes
12 as no surprise to you, as the principal process person.

13 Can you describe for me how you would define
14 process, and in particular, how you would differentiate it
15 from, say, systems?

16 A. Process to me is the flow or the exchange of
17 information between customer and company and between work
18 groups within the company, as well as between systems,
19 essentially, to result in an end-to-end total business
20 process from the ordering of service through the billing
21 of service.

22 So if I were going to coin a phrase, I would say
23 that it was the exchange of information that facilitates
24 the provision and billing of service.

25 Q. When you were first charged with the task of
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1 developing the processes for the resale business at the
2 LISC, were you given a parameter, any guidelines, any
3 limitations on what you should do in order to accomplish
4 that goal?

5 A. We weren't given any limitations. The